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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

28 March 1980
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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : Deputy Director for National Foreign Assessment
National Intelligence Officer for Warning

FROM : Joe L. Zaring
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SUBJECT : Monthly Warning Assessment: Western Europe

NORDIC-SOVIET RELATIONS

1. In the aftermath of an intense Soviet press campaign against Norwegian defense policy, Oslo will probably seek to limit some NATO activities in Norway in order to avoid giving the Soviets any apparent grounds for protest that it is abandoning its traditional security posture. But Norwegian officials will continue to seek progress in pre-placement and co-location discussions with the US to assure that speedy reinforcement of its position is possible.

2. Surprised by the Soviet invitation to talks on the Barents Sea boundary, Norwegians will approach the discussions very cautiously. In general, Scandinavians see the recent Soviet press attack on Norway as an attempt to divert attention from Afghanistan and the conciliatory Soviet approach on the Barents Sea as an inducement to refrain from firm new security measures.

EUROPE-MIDDLE EAST

3. The Europeans are unlikely to make a formal new proposal on the Middle East before 25 May, but their clear interest in a new European role in the peace process -- especially French talk of a new Geneva conference -- will certainly complicate the negotiations now underway between Egypt and Israel.

4. Because the US is constrained by election year politics, and because resolution of the Middle East conflict is apparently central to

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engaging the Arabs in opposition to Soviet actions in Afghanistan, the Europeans are convinced that they need to play a more direct and active part in Middle East diplomacy. To ensure that their activities do not undermine US efforts, especially as 25 May approaches, the Europeans will need to be well informed, in advance, of US undertakings.

PORTUGAL

5. Despite the greater belligerency of the left, we do not consider Sa Carneiro's government seriously threatened by [REDACTED] leftist military officers associated with President Eanes in the Revolutionary Council. The Prime Minister, however, is perfectly capable of exploiting such talk to discredit the President and to create an atmosphere more favorable to the right in the presidential and parliamentary elections this fall.

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6. If Sa Carneiro's AD does win the fall elections and if he then presses for constitutional revisions that would reverse "reforms" won by the 1974 revolution, the potential for more serious trouble would be high. The continued feuding between the presidency and the government, continued politicking within the military, labor and agricultural unrest, and especially the weakness of the Socialist party are all danger signs.

SPAIN

7. The setbacks suffered by the national political parties -- including the Prime Minister's and the opposition Socialists -- have sharply aggravated the difficulty of the divisive devolution issue. Although the Prime Minister's overall position is not threatened, some further bloom has gone off his popularity in the country at large, and he is certain to be pressed hard by the regional parties for generous concessions as the terms of devolution are worked out. This is especially true in the Basque country, where the strong showing of radical nationalists will put pressure on the victorious moderate nationalists to take a tougher line with Madrid. Meanwhile, the rise of regional nationalism in former Socialist strongholds -- particularly in Catalonia where Socialists had expected to govern -- is a significant blow to the major opposition party's aspirations of winning the 1983 parliamentary elections. The rise of the nationalist parties may also point to a trend toward growing fragmentation of the political system along regional lines.

ITALY

8. The split within the Christian Democratic Party -- fundamentally the result of increasing tension between the right and left wings over how to come to grips with the need for some form of PCI cooperation with the government -- has left Italy with little more than a de facto caretaker government until the local elections in June. The DC split, increasing

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terrorism, and the emergence of new political scandals do not augur well for the party's prospects in those elections. The PCI may be the beneficiary.

GREECE

9. Presidential elections will begin in Greece 18 April. Prime Minister Karamanlis will likely win if he seeks the office, and without his leadership of the government and the New Democracy Party, Greece may enter a period of considerable political uncertainty. Andreas Papandreou's PASOK party continues to make gains, and he probably hopes to force early parliamentary elections.

10. Karamanlis has so far refused to compromise on Greek re-integration into NATO -- partly because he may fear that PASOK would exploit such a move (as it has already exploited leaks about his letter last fall to the President and General Rogers' mediation efforts) and partly because he may believe that he can move more effectively once he is president (a view we do not necessarily share). His reported expectation that the US will place higher value on Greek re-integration because of present East-West tensions, and will therefore support Greece's position over that of Turkey on the re-integration question, bodes ill for an early resolution of the issue.

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